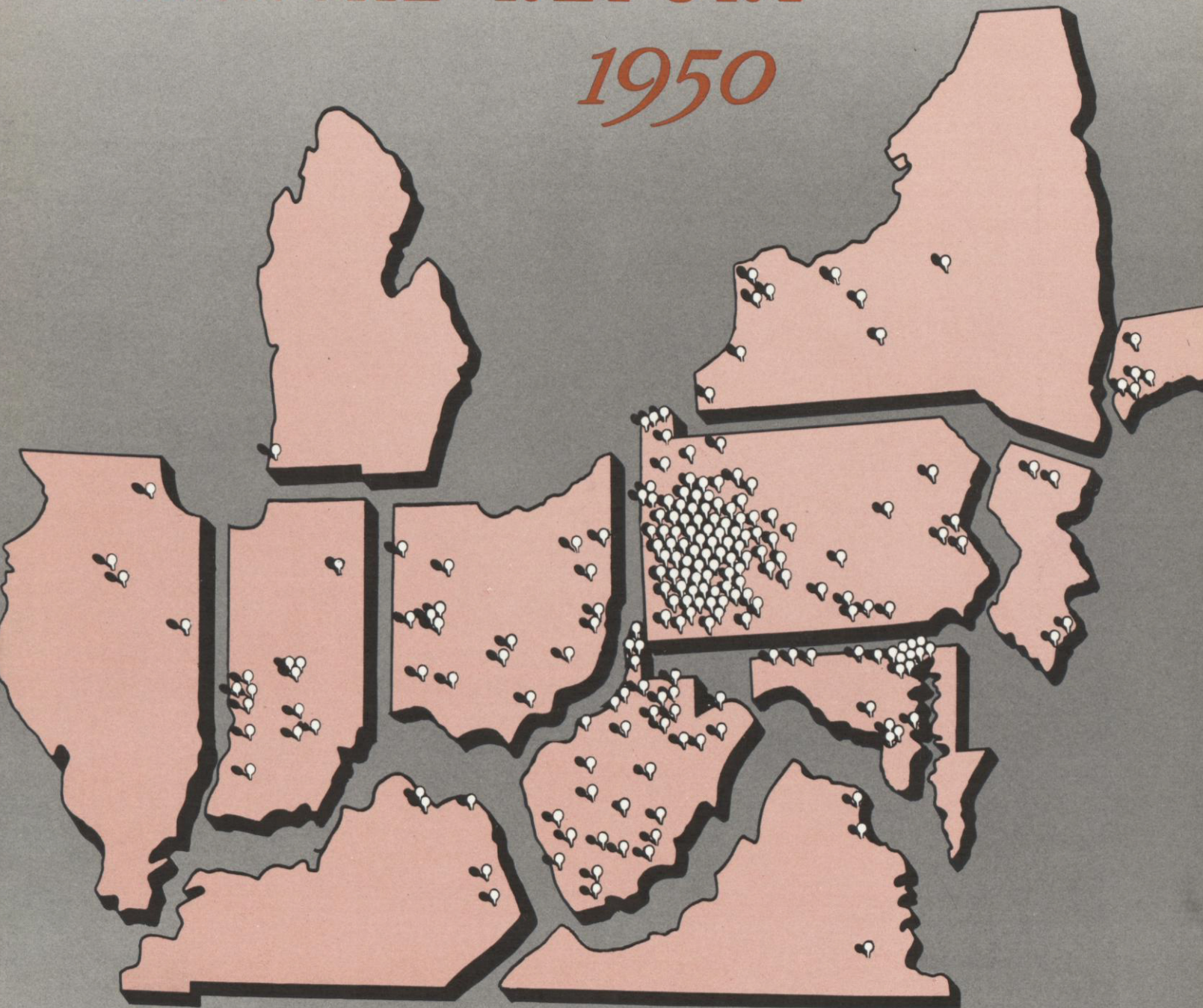


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ANNUAL REPORT *1950*



G. C. MURPHY COMPANY

Foreword

The year 1950 brought to a close a decade which truly tested the ability of countries and companies to meet and surmount conditions and problems of vital importance to their very existence. 1941 began four years of active war with all the restraints, regulations and restrictions considered necessary for the preservation of our national welfare. This was followed by a period in which the hope of peace was more factual than peace itself. Controls and restrictions were gradually relaxed. Tax rates which demanded such an extremely high share of our earnings were reduced. We entered a period in which your Company could expand its facilities and improve its services at the rate considered necessary to make up time previously lost.

The first part of 1950 saw the economic and business picture beginning to clarify; price levels were stabilizing; merchandise was more readily available; quality increased steadily. Construction costs, although high, were sufficiently stable that it was possible to both plan and build. This phase ended June 25th.

The last half of 1950 became increasingly a period of disorganized confusion in our international and domestic situation, and a period of rumor and counter-rumor, threatened restraints on our economy, and false shortages. Peace was even less of a reality, and preparation for a new decade became preparation for operation in a period once again of restraints, restrictions, threatened labor and merchandise shortages, and the sharply increased taxes demanded by a mobilization program.

Evaluation of your Company's position at the beginning of this decade, and a comparison with its position at the beginning of World War II are essential to your management and you. We are stronger and better prepared now in many ways. This Annual Report for 1950 is to not only advise you of the results and performance of your Company for the year, but to summarize the comparative positions and to appraise the major assets, tangible and intangible, with which your Company will meet the uncertainties and problems ahead.

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Pertinent Facts

	1950	1949	1948
SALES	\$150 507 468	\$141 310 518	\$137 564 415
AVERAGE SALES PER STORE	\$687 249	\$648 213	\$655 069
EMPLOYEES' COMPENSATION AND OTHER BENEFITS	\$26 229 021	\$24 540 797	\$22 568 246
NET EARNINGS	\$9 416 126	\$9 001 527	\$9 581 331
EARNINGS PER SHARE*	\$4.68	\$4.46	\$4.76
DIVIDENDS PER SHARE*	\$2.25	\$2.00	\$2.25
TAXES PER SHARE*	\$4.68	\$3.47	\$3.60
ADDITIONS TO PROPERTY AND EQUIPMENT	\$5 337 539	\$6 661 459	\$5 193 437
WORKING CAPITAL	\$27 536 060	\$25 705 213	\$25 960 330
CURRENT RATIO	2.75 to 1	3.04 to 1	3.10 to 1

*OF COMMON STOCK OUTSTANDING

G. C. MURPHY COMPANY

MC KEESPORT, PENNSYLVANIA

March 1, 1951

To Our Shareholders And Employees:

We hope you were pleased with the final sales and profit results of your Company in 1950. Due, in great measure, to the loyal efforts and enthusiasm of our employees, sales for the year exceeded \$150 million, registering a gain of 6.5% and continuing the upward trend of the past eleven years. We take a justifiable pride in this accomplishment, and express sincere appreciation to our management associates and all other employees, who labored so diligently in the interests of our business throughout 1950.

Our suppliers again provided splendid cooperation during the past year, enabling us to carry a more complete line of merchandise and to offer constantly improving values to our good customers. We acknowledge gratefully their spirit of understanding and friendliness, and believe they will make every effort to take care of our needs during the period ahead of us.

Despite the rising trend of most operating costs and the sharply increased taxes, we are happy to report net earnings exceeding those of the previous year. Merchandise stocks in both stores and warehouse were increased substantially in the fall, and this policy is reflected in the inventories at year-end. In our opinion they are the cleanest and best balanced in our entire history.

The program of enlarging and modernizing present stores played an important part in building our average sales per store to an all time high of \$687,249. We believe future results will reflect favorably the substantial investments which have been made.

It is apparent that 1951 will be a year of difficult operation under emergency government regulations and controls. Your management and an adequate number of other key employees enter this phase of operation with a knowledge of its problems gained from previous experience. We share a sincere conviction that this year will be a satisfactory one for your Company.

The continuing support and confidence of our shareholders mean a great deal to us. We are deeply appreciative of your helpful comments and suggestions. We cordially invite you to review carefully the financial statements which appear in this Annual Report and the brief summaries of your Company's activities presented as supplements to them.

Sincerely yours,

W. C. Shaw

Chairman of the Board

J. H. Sample

President

Sales

	1950	1949
Total.....	\$150 507 468	\$53 365 581
Number of stores...	219	204
Average per store	\$687 249	\$261 596

An increase of \$9,196,950 over the \$141,310,518 sales of 1949 brought 1950 volume to \$150,507,468, and continued the trend of steadily increasing sales for the twelfth consecutive year. This gain of 6.5%, with 219 stores in operation at year-end compared with 218 the previous year, increased average sales per store to \$687,249. The 1949 average was \$648,213.

Your Company's newspaper and rotogravure program was continued, and radio advertising was expanded. Television debuts were made in two regions with encouraging results. Expanded use of all advertising facilities is planned for 1951.

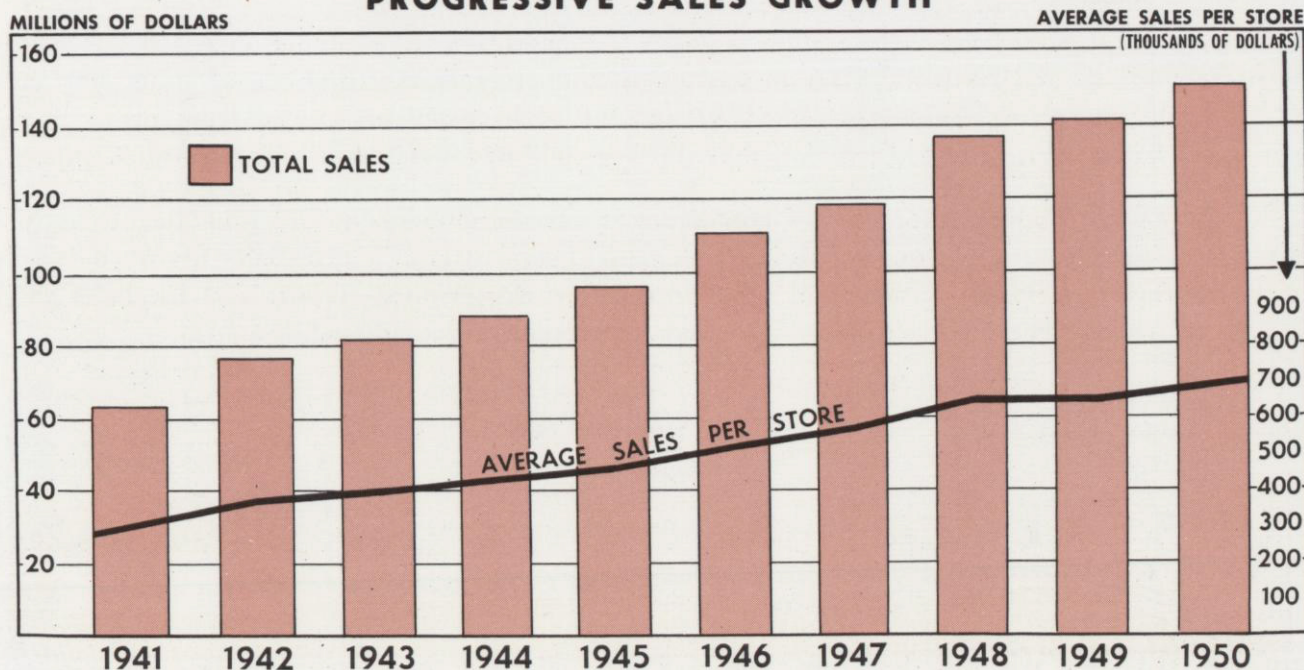
Earnings

	1950	1949
Before federal taxes...	\$17 178 126	\$4 834 335
After all taxes.....	\$9 416 126	\$3 363 535
Per share Common Stock presently outstanding	\$4.68	\$1.64

Earnings before federal taxes were the highest in the Company's 45-year history, surpassing those of 1948, the previous record year, by \$1,718,295. The total before the deduction of federal taxes on income was \$17,178,126, an increase of \$2,612,599 over 1949. The dollar increase in operating costs was offset by the additional volume per unit and by increased productivity from stores newly-opened or enlarged in 1949.

Net earnings after all taxes were \$9,416,126 compared with \$9,001,527 for 1949. This is an increase of 22¢ per share of Common Stock outstanding over the 1949 amount.

PROGRESSIVE SALES GROWTH



Dividends

	1950	1940
Total.....	\$4 752 035	\$2 122 000
Per share Common		
Stock presently		
outstanding	\$2.25	\$1.00
Reinvested earnings.....	\$4 664 091	\$1 241 535
Shareholders	7 924	3 050

The year-end extra of 75¢, added to the regular quarterly payments of 37½¢, brought the dividend on Common Stock to \$2.25 per share outstanding. This year-end extra was 25¢ more than the one paid in 1949.

Dividends of \$427,516 on the 4¾% Preferred Stock brought total dividend disbursements for the year to \$4,752,035. These payments were distributed to 7,924 shareholders in forty-five states, the District of Columbia, Canada and Hawaii.

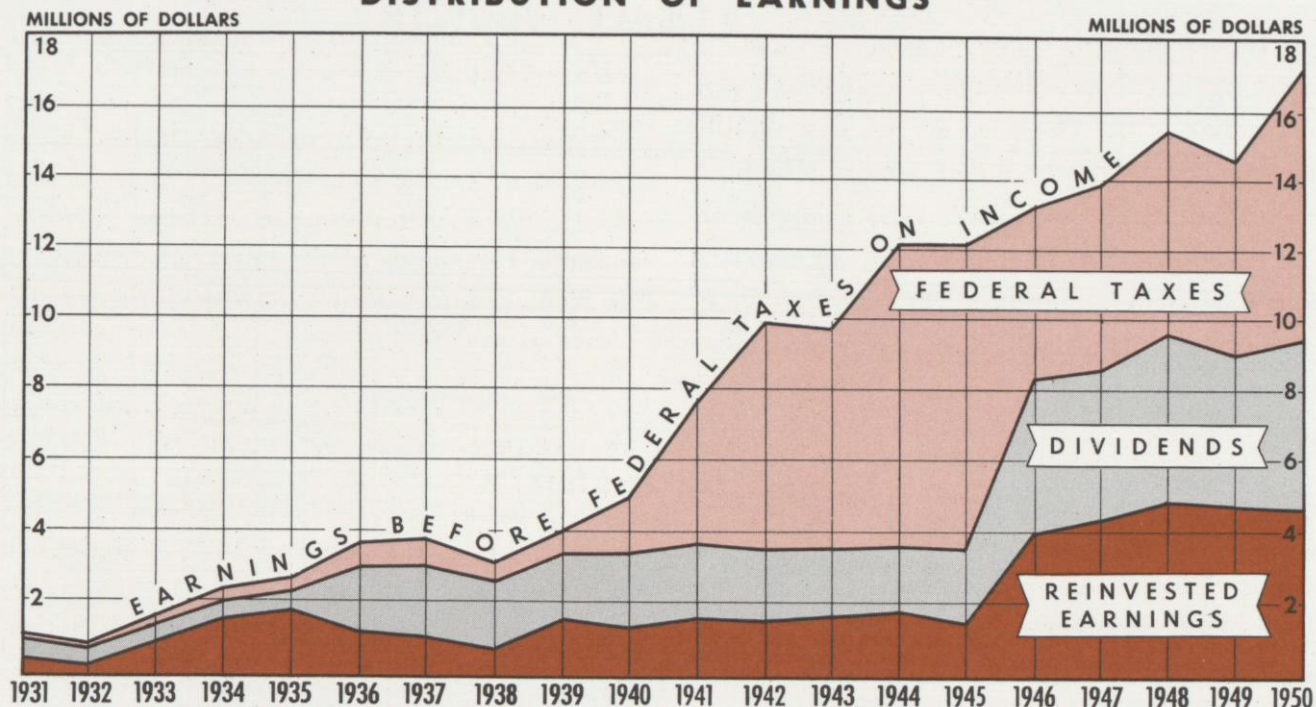
Earnings of \$4,664,091 from the current year's operations were reinvested in the business to provide adequate merchandise inventories for enlarged stores and to continue modernization and expansion.

Taxes

	1950	1940
Total.....	\$8 990 960	\$2 359 688
Per share Common		
Stock presently		
outstanding	\$4.68	\$1.23
Per store	\$41 055	\$11 568
Collected for federal,		
state and local		
governments	\$4 771 161	\$332 197

All taxes, other than those paid as rent, total \$8,990,960 compared with \$6,674,965 for 1949. The excess profits tax applicable to the

DISTRIBUTION OF EARNINGS



latter half of the year, together with the increased surtax rate, added \$1,235,000 to the government's share of 1950 earnings.

The Revenue Act of 1950 made two important changes in tax rates affecting 1950 earnings. The first was an increase in normal and surtax rates from 38% to 42%. The second was to apply an excess profits tax to all earnings above a calculated base, or tax credit. For the year 1950 your Company's excess profits tax credit was approximately \$13,400,000, with an applicable rate of approximately 15%.

For 1951, under present tax laws, the combined normal and surtax rate will increase from 42% to 47%, our excess profits tax credit will approximate \$13,900,000, and a tax rate of 30% will be applied to earnings above this amount. These rates, applied to the same dollar earnings as the Company made in 1950, would take \$1,285,000 more, or 67¢ per share. All earnings of your Company above \$3.60 per share for 1951 will be subject to excess profits tax.

Dividends distributed to you from the remaining earnings are again taxed at your individual rate. The inequity of this double taxation, particularly under abnormally high corporate and individual tax rates, is apparent. This obvious discrimination should receive full and immediate attention in the thorough study of our tax structure which our present national situation demands.

The task of collecting and withholding tax monies from customers and employees, for federal, state and local governments, has grown tremendously in the past several years. It is an item of operating cost which appears likely to increase even further.

Property and Equipment

	1950	1940
Total.....	\$24 793 691	\$13 232 678
Per store	\$113 213	\$64 866
Per \$ of sales.....	\$.16	\$.25

Additional investment of \$5,337,539 was made this year in property and equipment, with the major portion applied to modernization and enlargement. This was \$1,323,920 less than the record expenditure of \$6,661,459 for 1949.

Working Capital

	1950	1940
Total.....	\$27 536 060	\$5 668 617
Merchandise inventories.....	\$22 179 031	\$7 520 084
Cash and securities.....	\$21 110 882	\$2 906 424

Working capital increased \$1,830,847 compared with the preceding year, reaching a total of \$27,536,060.

Merchandise inventories at year-end were \$4,029,789 higher than they were at December 31, 1949. This represented in large part the increased demands of the enlarged stores, and to some extent reflected the rising costs of the latter part of 1950.

A further investment in tax notes was made to meet the accelerated federal tax payments in 1951.

Current assets were \$43,289,913 with current liabilities totaling \$15,753,853. The ratio of 2.75 to 1 at December 31 compares with 3.04 to 1 at the end of 1949.

Community Relations

During 1950, 53 store managers assumed their share of community responsibility by acting as president, vice president or member of the board of directors of their local Chambers of Commerce. Positions of similar responsibility were held by 39 others in local service clubs. A majority of the men participated in civic enterprises such as the Community Chest, Red Cross, Salvation Army and other activities in each community.

Your Company presented trophies and awards to the winners of 4-H contests in many areas in which we operate, believing that encouragement of the youth of each community is the direct responsibility of all. The Distributive Education program was continued, bringing equipment and practical experience into the schools to assist in making even more effective the splendid work being done in this field by the various school personnel.

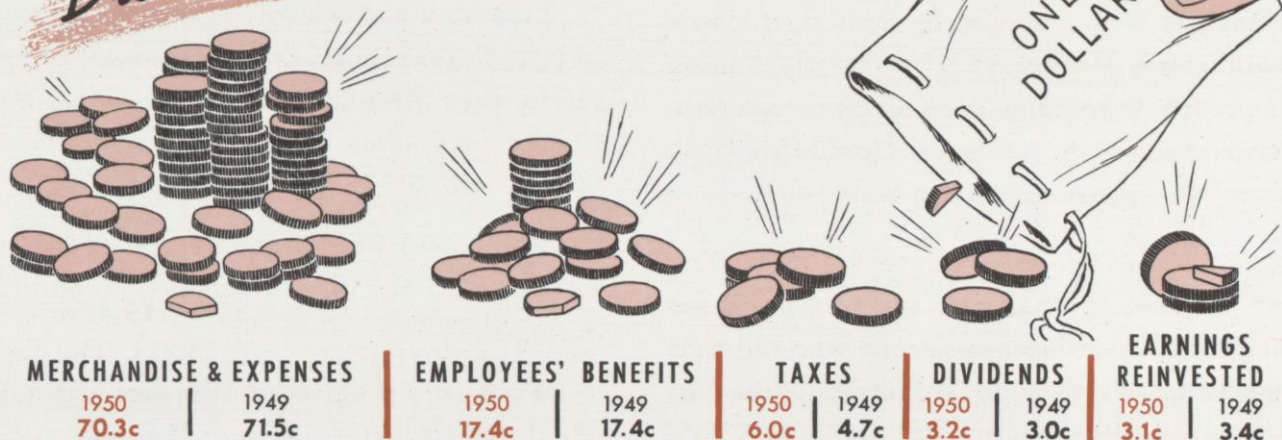
Personnel

	1950	1940
Wages and other benefits.....	\$26 229 021	\$8 210 000
Number of employees	22 000	14 000
Christmas bonus.....	\$180 250	\$82 500

Employees' compensation and various benefits including the Retirement Plan increased \$1,688,224 over the 1949 expenditures to \$26,229,021. This reflected the improvement in wage rates and the increase in personnel required to handle the enlarged stores, as well as the increased costs of other benefits provided entirely at Company expense. These include liberal group life insurance coverage, sickness and accident payments, Christmas bonus, and annual paid vacations up to five weeks.

The Employees' Retirement Plan cost of \$625,672 includes a payment of \$525,000 to the Trustee for current service and a charge of

Distribution of the Sales Dollar



\$100,672 for prior service. The Employees' Retirement Plan now has total assets of \$3,850,000. Retirement of 22 employees during the year brought to 104 the total number of retired employees.

Initiation of 106 new members at the Tenth Annual Meeting of the Veterans' Club in May raised the total roster to 741 active members. Presentations were made to 20 veteran employees upon the very important occasion of their 25th anniversary. Each receives a gold watch at the Veterans' meeting following this anniversary, and enjoys a five-week paid vacation every year thereafter.

1950 brought to near-completion the Company's On-the-job Training Course for veterans of World War II. During the five-year period, 457 men completed this training with your Company. Mid-year saw manpower at its highest peak; at the end of the year the number of men in training for management had been reduced approximately 5% by the loss of younger men to military service.

At semi-annual meetings in 1950 of all store, district and division managers greater emphasis was placed on education of our sales staff. A conference of field training supervisors and schools of instruction for assistant store managers were followed by additional classes within each sales district. These meetings, using improved instruction methods and materials, have enabled us to increase productivity of store sales personnel and to better our service to customers.

We have in the great majority of our stores most of those women assistants who did such a splendid job of handling the work of the men who were called into the Service during World

War II. We have every confidence that they can and will repeat their outstanding performance.

Expansion and Modernization

Two stores were opened by your Company during the year, and one store was closed so that a completely new building could be erected to house its expanded facilities. #213 Oak Hill, W. Va., with 23,280 square feet of area, opened June 15, 1950. #215 Broad Ripple, Ind., a completely modern, air-conditioned building with parking area adjacent, opened June 23, 1950. This further expands our facilities for better serving the community of Indianapolis.

The Torrington, Conn. store was moved August 31, 1950 from its original location to a new building of 27,024 square feet of floor area.

Twelve stores were remodeled and enlarged during the year, and two were thoroughly renovated. Badly needed stockroom and service facilities were added to our McKeesport, Pa. unit. Work was started on present stores at #95 Westminster, Md. and #135 Wildwood, N. J., and is scheduled for completion in 1951.

Expansion and remodeling were completed in Erie, Shippensburg, Etna, Clairton, Ligonier, North East, Aliquippa and Harrisburg, Pa.; Clinton and Fort Wayne, Ind.; Fairmont, W. Va. and Washington, N. J.

Stores #12 Pittsburgh, Pa. and #104 Indianapolis, Ind. were completely renovated during the year.

Work is in progress on two new locations, #221 Brentwood, Pittsburgh, Pa. and #222

Youngstown, O. Both stores are additional units to meet the demands of these rapidly-growing communities.

Leases have been made to provide new stores during 1951 in Mechanicsburg, Pa. and Greensburg, Ind.

Further interests were purchased at present locations in Greensburg, Titusville and St. Marys, Pa.; Clinton, Ind.; Wildwood, N. J. and Maysville, Ky.

Real estate holdings in Syracuse, N. Y., planned for future expansion, were disposed of profitably during 1950. Economic conditions

and unit investment required influenced the decision to dispose of this location and close the store as of January 31, 1951 when the lease expired.

Additional area was leased at six of the ten locations where renewals or extensions were made.

It is possible that government controls will limit the extent to which your Company can follow its planned program for expansion during 1951. In such event, the work will be deferred and earnings retained to carry it forward as soon as restrictions are removed.

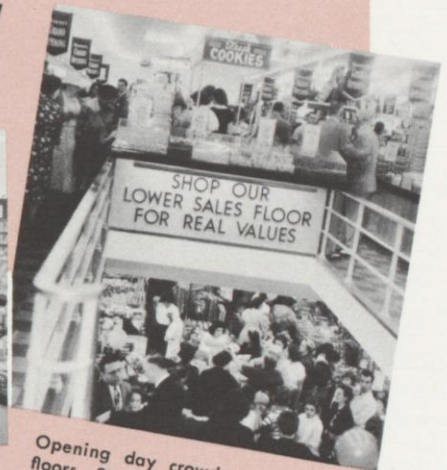
CROWDS AT OPENINGS OF NEW AND REMODELED STORES DURING 1950



Crowds awaiting re-opening of Store #165 Harrisburg, Pa., after extensive remodeling.



A view of the main floor sales room of Store #93 Torrington, Conn., now occupying a new and modern building in the heart of the shopping district.



Opening day crowds on both sales floors, Store #93 Torrington, Conn.



Main floor of Store #172 Fairmont, W. Va., on opening day. This store was more than doubled in size.



Opening day crowds on the downstairs sales floor of the new Store #213, opened in Oak Hill, W. Va.

Consolidated Balance Sheet

G. C. MURPHY COMPANY and its subsidiaries

December 31, 1950 and 1949

ASSETS	1950	1949
Demand deposits in banks and cash on hand.....	\$14 130 751	\$14 712 224
U. S. Government securities, at cost and accrued interest:		
Tax notes.....	6 839 440	5 261 600
Other.....	140 691	166 713
Merchandise inventories, at the lower of cost or market:		
Stores and warehouses.....	19 219 269	15 800 907
In transit.....	2 959 762	2 348 335
Total current assets.....	<u>43 289 913</u>	<u>38 289 779</u>
Property and equipment, at cost:		
Land.....	1 445 527	1 859 377
Buildings.....	5 572 320	5 076 146
Improvements to leased properties.....	18 506 315	16 317 243
Fixtures and equipment.....	16 031 020	14 171 427
	41 555 182	37 424 193
Less, allowances for depreciation and amortization.....	16 761 491	14 727 829
Total property and equipment.....	<u>24 793 691</u>	<u>22 696 364</u>
Prepaid expenses.....	926 994	681 189
Employees' retirement plan prior service payments.....	427 438	528 110
Miscellaneous accounts receivable and sundry investments, less reserve.....	577 298	434 751
	<u>\$70 015 334</u>	<u>\$62 630 193</u>

Notes to Financial Statements:

- (1) The Articles of Incorporation provide that so long as any of the 4¾% Preferred Stock is outstanding, earnings retained in the business amounting to \$10,278,429 are not available for the payment of dividends on the Common Stock.
- (2) On leases in effect at December 31, 1950, the aggregate annual amount of minimum rentals (including payments made in 1950 for property taxes and insurance, but excluding rental income received from sub-tenants) was \$3,530,163, the major portion of which was for premises under leases extending for more than ten years.

Balance Sheet

Subsidiary MACK REALTY COMPANY

and December 31, 1949

LIABILITIES	1950	1949
Accounts payable, including liability for merchandise in transit.....	\$ 3 187 306	\$ 2 674 498
Taxes withheld or collected.....	540 612	476 653
Dividend on Preferred Stock.....	106 879	106 879
Accrued liabilities:		
Employees' compensation and other expenses.....	2 958 927	2 674 796
Taxes, other than federal taxes on income.....	1 061 147	1 015 082
Provision for federal taxes on income.....	7 793 139	5 565 186
Mortgage and installment notes payable within one year.....	105 843	71 472
Total current liabilities.....	<u>15 753 853</u>	<u>12 584 566</u>
Mortgages and installment notes.....	256 961	705 198

CAPITAL		
Preferred Stock, par value \$100 per share:		
Authorized 100,000 shares, issuable in series		
Issued, 4 3/4 % Cumulative Series, 90,000 shares (Redeemable at \$107.50 per share before July 1, 1952, and thereafter at \$105 per share).....	9 000 000	9 000 000
Common Stock, par value \$1 per share:		
Authorized 3,000,000 shares		
Issued 1,922,000 shares.....	1 922 000	1 922 000
Paid-in surplus	1 750 391	1 750 391
Earnings retained in the business (Note 1).....	41 332 129	36 668 038
Total capital.....	<u>54 004 520</u>	<u>49 340 429</u>
	<u>\$70 015 334</u>	<u>\$62 630 193</u>

(3) Claims for refund of federal excess profits taxes paid for the years 1941 through 1945 have been filed under the relief provisions of the Internal Revenue Code and overpayments tentatively proposed by the taxing authorities may or may not be finally approved.

Consolidated Statement of Earnings

G. C. MURPHY COMPANY and its subsidiary MACK REALTY COMPANY

For the years ended December 31, 1950 and December 31, 1949

	<u>1950</u>		<u>1949</u>	
Sales		\$150 507 468		\$141 310 518
Cost of goods sold and operating expenses, including general and administrative expenses.....	\$130 319 468		\$124 136 472	
Provision for depreciation and amortization.....	2 102 157		1 685 307	
Employees' retirement plan costs.....	625 672		560 672	
Interest paid or accrued.....	22 754	133 070 051	43 687	126 426 138
		17 437 417		14 884 380
Other income, less other deductions.....		240 809		109 897
		17 678 226		14 994 277
Provision for taxes on income:				
Federal:				
Normal and surtax	7 202 000		5 564 000	
Excess profits tax.....	560 000			
State	500 100	8 262 100	428 750	5 992 750
Net earnings for the year.....		9 416 126		9 001 527
Earnings retained in the business, beginning of year...		36 668 038		31 938 045
		46 084 164		40 939 572
Deduct, dividends paid or declared:				
4 ¾ % Preferred Stock, \$4.75 per share.....	427 516		427 516	
Common Stock, \$2.25 per share in 1950 and \$2.00 per share in 1949.....	4 324 519	4 752 035	3 844 018	4 271 534
Earnings retained in the business, end of year.....		<u>\$ 41 332 129</u>		<u>\$ 36 668 038</u>

Auditors' Certificate

Lybrand, Ross Bros. & Montgomery
CERTIFIED PUBLIC ACCOUNTANTS

NEW YORK
PHILADELPHIA
CHICAGO
BOSTON
BALTIMORE
WASHINGTON
PITTSBURGH

DETROIT
CLEVELAND
CINCINNATI
ROCKFORD
LOUISVILLE
ST. LOUIS
ATLANTA

DALLAS
HOUSTON
SAN FRANCISCO
LOS ANGELES
SEATTLE
LONDON
PARIS

To the Board of Directors,

G. C. Murphy Company:

We have examined the consolidated balance sheet of G. C. Murphy Company and its wholly-owned subsidiary, Mack Realty Company, as of December 31, 1950, and December 31, 1949, and the related consolidated statement of earnings for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statement of earnings present fairly the consolidated financial position of the companies at December 31, 1950, and December 31, 1949, and the consolidated results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Lybrand Ross Bros. & Montgomery

Pittsburgh, Pa.

February 7, 1951.

Record of Progress

Year	Number of Stores	Sales	Gain or Loss Over Previous Year	Average Yearly Sales per Store
1906	3	\$ 196 150		\$ 65 383
1907	5	297 741	51.7%	59 548
1908	6	250 867	-15.7	41 811
1909	10	230 453	- 8.1	23 045
1910	10	262 514	13.9	26 251
1911	12	251 699	- 4.1	20 975
1912	18	370 616	47.2	20 590
1913	23	473 030	27.6	20 567
1914	27	502 474	6.2	18 610
1915	30	602 126	19.8	20 071
1916	32	772 222	28.2	24 132
1917	38	1 032 854	33.8	27 180
1918	42	1 352 519	30.9	32 203
1919	46	1 435 420	6.1	31 205
1920	51	2 051 288	42.9	40 221
1921	60	2 231 523	8.8	37 192
1922	61	2 702 951	21.1	44 311
1923	75	3 950 876	46.2	52 678
1924	85	5 158 501	30.6	60 688
1925	88	6 493 897	25.9	73 794
1926	92	8 567 022	31.9	93 120
1927	113	10 233 508	19.5	90 562
1928	133	12 118 188	18.4	91 114
1929	153	15 726 652	29.8	102 789
1930	166	17 498 023	11.3	105 410
1931	172	19 238 362	9.9	111 851
1932	176	18 532 012	- 3.7	105 296
1933	180	21 884 789	18.1	121 582
1934	186	28 001 013	27.9	150 543
1935	189	31 597 890	12.8	167 185
1936	195	37 995 419	20.2	194 848
1937	200	42 522 253	11.9	212 611
1938	201	42 190 212	- .8	209 902
1939	202	47 284 970	12.1	234 084
1940	204	53 365 581	12.9	261 596
1941	207	63 514 748	19.0	306 835
1942	207	76 987 255	21.2	371 919
1943	207	82 078 319	6.6	396 514
1944	207	88 936 595	8.4	429 645
1945	209	95 905 410	7.8	458 878
1946	209	110 327 508	15.0	527 883
1947	209	119 358 580	8.2	571 094
1948	210	137 564 415	15.3	655 069
1949	218	141 310 518	2.7	648 213
1950	219	150 507 468	6.5	687 249

Sales, Earnings and Dividends

	Sales	Net Earnings	Earnings Per Share Common Stock Presently Outstanding	Shares Outstanding		Dividends		Number of Stores
				Common (a)	Preferred	Common (a)	Preferred	
1940	\$ 53 365 581	\$3 363 535	\$1.64	480 500	40 000	\$1 922 000	\$200 000	204
1941	\$ 63 514 748	\$3 660 529	\$1.80	480 500	40 000	\$1 922 000	\$200 000	207
1942	76 987 255	3 477 509	1.62	480 500	90 000	1 681 750	363 758	207
1943	82 078 319	3 503 989	1.60	480 500	90 000	1 441 500	427 516	207
1944	88 936 595	3 580 250	1.64	480 500	90 000	1 441 500	427 516	207
1945	95 905 410	3 563 615	1.63	480 500	90 000	1 681 750	427 516	209
1946	110 327 508	8 243 925	4.07	1 922 000	90 000	3 844 004	427 516	209
1947	119 358 580	8 589 083	4.25	1 922 000	90 000	3 844 013	427 516	209
1948	137 564 415	9 581 331	4.76	1 922 000	90 000	4 324 515	427 516	210
1949	141 310 518	9 001 527	4.46	1 922 000	90 000	3 844 018	427 516	218
1950	150 507 468	9 416 126	4.68	1 922 000	90 000	4 324 519	427 516	219

(a) On February 26, 1946 the authorized Common Stock was changed from no par value to a par value of \$1.00 per share, and the outstanding shares were split four for one.

G.C. Murphy Company

BOARD OF DIRECTORS

WALTER C. SHAW, *Chairman*

PAUL L. SAMPLE
JAMES S. MACK
WALTER C. SHAW, JR.

EDGAR L. PAXTON
HAROLD E. CROSBY
KENNETH T. PAXTON

EARL F. McCLUNE
J. CLARENCE KELLY
THOMAS N. GRIGGS

OFFICERS

WALTER C. SHAW
Chairman of the Board of Directors

PAUL L. SAMPLE
President

JAMES S. MACK
Vice President and Treasurer

WALTER C. SHAW, JR.
Vice President and Sales Manager

EDGAR L. PAXTON
Vice President—Merchandise Division

HAROLD E. CROSBY
Vice President—Construction Division

KENNETH T. PAXTON
Vice President and Personnel Director

WILLIAM S. THOMSON
Secretary

CARL F. SCHATZ
Auditor and Assistant Treasurer

PORTER D. ALBERT
Assistant Treasurer

EARL F. McCLUNE
Assistant Secretary

HOWARD Q. MILAR
Assistant to the President and Assistant Secretary

TRANSFER AGENT—Bankers Trust Company, 16 Wall Street, New York 15, New York

REGISTRAR—The Chase National Bank of the City of New York, 11 Broad Street, New York 5, New York

GENERAL COUNSEL—Griggs, Moreland, Blair & Douglass, Oliver Building, Pittsburgh 22, Pennsylvania

AUDITORS—Lybrand, Ross Bros. & Montgomery, Oliver Building, Pittsburgh 22, Pennsylvania

Mack Realty Company

BOARD OF DIRECTORS

WALTER C. SHAW
PAUL L. SAMPLE
JAMES S. MACK

WALTER C. SHAW, JR.
HAROLD E. CROSBY

WILLIAM S. THOMSON
EARL F. McCLUNE
CARL F. SCHATZ

OFFICERS

PAUL L. SAMPLE, *President*

WALTER C. SHAW
Vice President
JAMES S. MACK
Vice President and Treasurer

HAROLD E. CROSBY
Vice President

WILLIAM S. THOMSON
Secretary

CARL F. SCHATZ
Assistant Secretary and Assistant Treasurer

EARL F. McCLUNE
Assistant Secretary

Shareholders

BOARD OF DIRECTORS
WALTER C. SHAW
Chairman of the Board

PAUL L. SAMPLE
President

J. S. MACK
Vice President and Treasurer

MERCHANDISE
INVESTMENT
CONTROL

ACCOUNTING
TAXES

WASTE
CONTROL
MANAGER

RESTAURANT
MANAGER

W. C. SHAW, JR.
Vice President and Sales Manager

REAL
ESTATE

FINANCE
LEGAL

STORE
AUDITING

TRAFFIC

OFFICE
MANAGEMENT
INSURANCE

**DIVISION
MANAGERS**
Four Divisions

ASSISTANT
SALES
MANAGER

**DISTRICT
MANAGERS**
Nineteen Districts

SALES
PROMOTION
MANAGER

SPECIAL
DISPLAYS
MANAGER

**MORE THAN
20,000 STORE EMPLOYEES
219 STORES — 24 RESTAURANTS**

K. T. PAXTON
Vice President and Personnel Director

MERCHANDISE
MANAGER

MERCHANDISE
MANAGER

E. L. PAXTON
Vice President
Merchandise Division

EMPLOYMENT

PUBLIC-EMPLOYEE
RELATIONS
WELFARE

PERSONNEL
EMPLOYEE
TRAINING

RATES
CONTRACTS

Buyers

Candy
Cakes and
Cookies
Toys
Tree Trims
Toilet Articles
Stationery
Greeting Cards
Books and
Magazines
Notions
Hair Notions
Patterns

Buyers

Handbags
and Belts
Lighting Goods
Paint and
Accessories
Housewares
Pet Items
Season Goods
Hardware
Dinnerware
Glassware
Tin, Enamel
and Aluminum

Buyers

Men's Wear
Boys' Wear
Infants' Wear
Women's
and Misses'
Underwear
Hosiery
Footwear
Art Goods
Lace & Ribbon
Handkerchiefs
Supplies
Dress and
Wash Goods
Dry Goods
Curtains
Draperies

Buyers

Oilcloth and
Floor Coverings
Jewelry
Luggage
Novelties
Music
Dress
Accessories
Women's
and Misses'
Outerwear
Cotton Dresses
Better Dresses
and Coats

MERCHANDISE
RESEARCH

ASSISTANT
TO THE
PRESIDENT

WAREHOUSING

SECRETARY
OF THE
CORPORATION

H. E. CROSBY
Vice President
Construction Division

ARCHITECTURAL

CONSTRUCTION

EQUIPMENT

MAINTENANCE

Store Locations

CONNECTICUT

(5 stores)

Ansonia
Naugatuck
New Canaan
Stamford
Torrington

DIST. OF COLUMBIA

(3 stores)

ILLINOIS

(4 stores)

Hoopeston
LaGrange
Pontiac
Streator

INDIANA

(13 stores)

Brazil
Clinton
Columbus
Fort Wayne
Greencastle
*Greensburg
Indianapolis
(3 stores)
Linton
Rockville
Seymour
Shelbyville
Washington

KENTUCKY

(4 stores)

Ashland
Maysville
Paintsville
Pikeville

MARYLAND

(17 stores)

Annapolis
Baltimore
(10 stores)
Cumberland
Frostburg
Hancock
Rockville
Silver Spring
Westminster

MICHIGAN

(1 store)

St. Joseph

NEW JERSEY

(4 stores)

Ocean City
Washington
Westfield
Wildwood

NEW YORK

(9 stores)

Buffalo
Dansville
Fredonia
Jamestown
Lancaster
LeRoy
Medina
N. Tonawanda
†Syracuse

OHIO

(17 stores)

Alliance
Barnesville
Bellaire
Bellefontaine
Circleville
Gallipolis
Greenville
Middletown
Piqua
Salem
Sidney
Toronto
Troy
Van Wert
Washington
Court House
Wilmington
Youngstown
*Youngstown

PENNSYLVANIA

(106 stores)

Aliquippa
Ambridge
Bangor
Barnesboro
Beaver
Beaver Falls
Bedford
Bellefonte
Bellevue
Bethlehem
Blairsville
Brentwood
*Brentwood
(Whitehall)
Brookville
Brownsville
Burgettstown
Butler
California
Carnegie

PENNSYLVANIA

Charleroi
Clairton
Clarion
Clearfield
Connellsville
Corry
Derry
Dormont
Duncannon
Duquesne
E. Pittsburgh
Elizabeth
Ellwood City
Erie

(2 stores)

Etna
Everett
Farrell
Ford City
Franklin
Gettysburg
Greensburg
Greenville
Grove City
Hanover
Harrisburg
Hollidaysburg
Huntingdon
Indiana
Irwin
Jeannette
Johnsonburg
Kittanning
Latrobe
Lehigh
Lewistown
(2 stores)
Ligonier
McConnellsburg
McDonald
McKeesport
McKees Rocks
Meadville

*Mechanicsburg

Mercer
Mercersburg
Meyersdale
Midland
Monessen
Mount Joy
Mt. Lebanon
Mt. Oliver
Mount Union
Nazareth
New Bethlehem
New Castle
New Kensington
North East
Oakmont
Pitcairn
Pittsburgh
(6 stores)
Punxsutawney
Red Lion
Rochester
St. Marys

PENNSYLVANIA

Scranton
Sewickley
Sharon
Shippensburg
State College
Swissvale
Tarentum
Titusville
Turtle Creek
Uniontown
Vandergrift
Verona
Warren
Washington
Waynesburg
West Newton
Wilkesburg
Wilmerding
York

VIRGINIA

(3 stores)

Alexandria
Arlington
Richmond

WEST VIRGINIA

(33 stores)

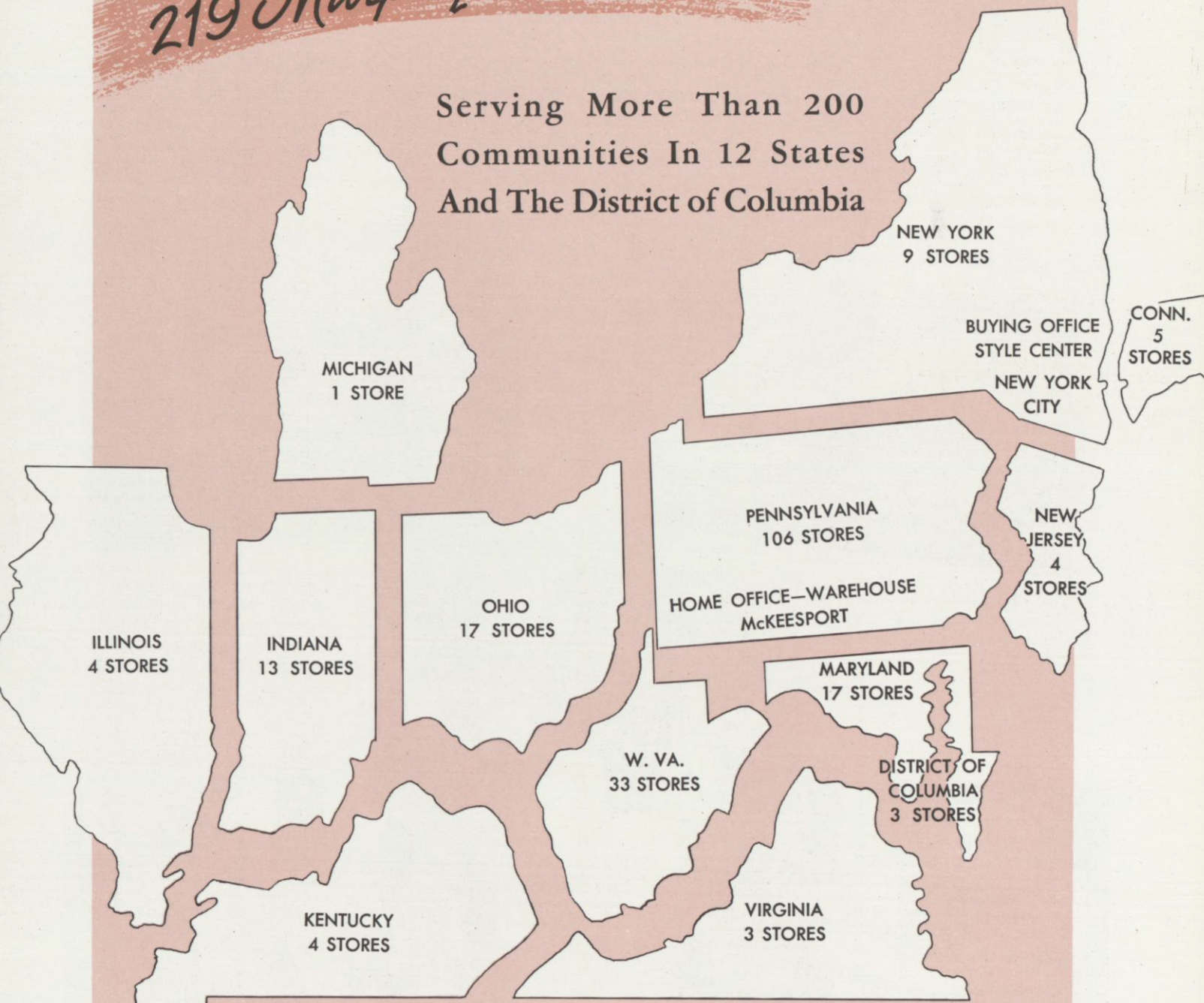
Beckley
Buckhannon
Clarksburg
East Rainelle
Elkins
Fairmont
Hinton
Keyser
Logan
(2 stores)
Montgomery
Morgantown
Moundsville
Mullens
Northfork
Oak Hill
Parkersburg
Philippi
Piedmont
Point Pleasant
Princeton
Richwood
Shinnston
Sistersville
S. Charleston
Spencer
Weirton
(2 stores)
Welch
Wellsburg
Weston
Wheeling
Williamson

*Stores not yet opened.

†Closed in January, 1951.

219 Murphy Stores

Serving More Than 200
Communities In 12 States
And The District of Columbia



Approximately 213 million pounds of merchandise moved into 219 Murphy stores to satisfy the needs of our customers. The safe and dependable movement of these goods was accomplished by the full measure of cooperation received from rail, truck and other transportation facilities throughout 1950.

Emphasis On Training

Constant improvement through education and training is traditional with Murphy Employees. The program for managerial trainees dates back to the 1920's. Since then, further training programs have been developed for restaurant managers, field supervisors of personnel, district cashiers and salesladies.



A refresher school is conducted each year for advanced assistants who are soon to be promoted to management.



Good food and superior service are not accidental in Murphy restaurants and fountains. Schools on technical operation are a regular event.



The teacher must be taught, also. Field personnel representatives receive training in both technique and procedure.



Personnel training is a feature of the semi-annual meetings for store and district managers. Demonstrations lend interest to the program.



Cooperative training pays off for Distributive Education students when "on-the-job" advanced training is made available to them.

